

SP-14881N

DEPT OF TRANSPORTATION  
PERMITS

55 Glenlake Parkway, NE  
Atlanta, GA 30328-3474

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June 25, 2009

Via Email

Mr. Ted Willke  
Associate Administrator for Hazardous Materials Safety  
(Attn: Special Permits, PHH-31)  
Pipeline and Hazardous Materials Safety Administration  
U.S. Department of Transportation  
East Building  
1200 New Jersey Avenue, SE  
Washington, DC 20590-0001

PHMSA-2009-0230

Re: Application for Special Permit

Dear Mr. Willke:

In accordance with 49 CFR 107.105, UPS, Inc. hereby files an application seeking a special permit for use by its wholly owned subsidiary UPS Freight. The application seeks to facilitate the use collapsible bins to consolidate hazardous materials packages in the less-than-truckload ("LTL") motor freight environment.

If there are any questions with respect to this application, please do not hesitate to contact me by telephone (404-828-7368) or email ([selkind@ups.com](mailto:selkind@ups.com)).

Sincerely,

Samuel S. Elkind  
Corporate Regulated Goods Manager

Enclosure

*Application for Special Permit*  
**Use of Consolidation Bin to Enhance the Handling of Small Unpalletized Packages  
of Hazardous Materials**

**Date:**

June 25, 2009

**Applicant:**

UPS, Inc. and its wholly owned subsidiary UPS Freight

55 Glenlake Parkway, NE  
Atlanta, GA 30328

Contact: Samuel S. Elkind, Corporate Regulated Goods Manager  
Phone: (404) 828-7368  
Email: selkind@ups.com

**Purpose:**

To authorize UPS Freight to employ reusable, collapsible consolidation bins (considered by PHMSA to be "outside containers") for consolidating small, unpalletized packages, including hazardous materials packages, without application of labels to the bins, as would otherwise be required by 49 CFR 172.404(b). The use of these bins will enhance public safety by facilitating superior blocking and bracing, preventing damage to hazardous materials packages and other freight, and promoting efficient handling of hazardous materials in transportation.

**Regulations Affected:**

- 49 CFR 172.404(b), in that hazard labels would not required to be displayed on an "outside container" into which hazardous materials packages are placed.
- 49 CFR 172.203(a) in that the special permit number is not required to be indicated on the shipping paper.
- 172.301(c) in that the special permit number is not required to be displayed on the outside container.

**Modes of Transportation:**

Motor vehicle and rail (trailer-on-flatcar)

Duration of Special Permit:

It is requested that the special permit be issued for a two year period initially, and be renewable for subsequent four year periods, as necessary.

Proposal:

UPS, Inc. and its subsidiary UPS Freight seek a special permit authorizing the transportation in commerce by motor vehicle (and, when applicable, via trailer-on-flatcar in rail freight) of hazardous materials packages in a collapsible, reusable consolidation bins for purposes of facilitating improved blocking and bracing of hazardous materials packages in transportation, without displaying hazardous materials labels on the consolidation bin. To provide for an equivalent level of safety in transport, the applicants propose that the conditions and limitations outlined below be incorporated into the requested special permit.

*Packaging Prescribed.* Hazardous materials would be required to be packaged in full compliance with the Hazardous Materials Regulations prior to being placed into the consolidation bin.

*Operational Controls.* The following operational controls are proposed for incorporation into the request special permit:

- 1) Hazardous materials packages placed in reusable consolidation bins would be secured within the bin by packages or other suitable means in such a manner as to prevent shifting of or significant relative motion between the packages that is likely to compromise package integrity.
- 2) Consolidation bins would be properly blocked and braced within the vehicle in compliance with the Hazardous Materials Regulations.
- 3) Packages would be loaded into consolidation bins, and the bins would be loaded onto motor vehicles, only by employees of the holder of the special permit. Consolidation bins as authorized for use under this special permit may be transported only in motor vehicles operated by the holders of the special permit, or on rail cars transporting such vehicles.

*Special Provisions.* The following special provisions are proposed for incorporation into the requested special permit:

- 1) The requirement in 49 CFR 172.404(b) to label the authorized outside containers is waived.
- 2) The requirement in 49 CFR 172.203(a) to indicate the special permit number on the shipping paper, and the requirement in 172.301(c) to mark the special permit number on the outside container, are waived.

### Hazardous Materials for which Special Permit Would Apply:

UPS Freight seeks to use such consolidation bins with any hazardous material shipments that are suitable for carriage within its system, provided the dimensions of the packages make them suitable for this method of consolidation.

### Justification:

While traditional blocking and bracing techniques can be readily applied to the handling of palletized freight, there are shippers who offer packages to less-than-truckload ("LTL") carriers in such small numbers that palletization of their freight is impractical. Such packages are difficult to block and brace and are subject to increased risk of damage.

UPS Freight seeks to employ reusable collapsible consolidation bins to address the handling challenges of unpalletized hazardous materials, without the need to display hazard class labels on the totes (which are viewed as "outside containers" by PHMSA). Drivers or dockworkers would place such packages into the consolidation bins to help secure them in transportation. There is no relief sought from existing requirements for blocking and bracing, segregation, or any existing documentation or placarding requirement. Moreover, the individual packages loaded into the consolidation bin would be marked, labeled and listed on the hazardous materials shipping paper as required by the hazardous materials regulations.

The collapsible consolidation bin is manufactured of plastic, with four walls that can be folded from flat positions, when not in use, to upright positions. The volume of the device is less than 64 cubic feet. There is no top to enclose the volume of the consolidation bin. It is capable of being handled with a forklift, and stacked when appropriate, e.g., within a trailer or in a warehouse.

However, the requirement to label (and un-label) these consolidation bins creates operational challenges. Since UPS Freight anticipates that drivers would employ these consolidation bins at pick-up locations, the labeling requirement would compel the company to issue all conceivable hazard labels to its drivers and train drivers on how to properly label packages. Additionally, the dynamic nature of pick-up and delivery operations means that drivers performing deliveries would be required to remove hazard labels from these consolidation bins after delivering one or more hazardous materials packages, and the durable application of labels, sufficient to keep them from coming off while the consolidation bins are in transportation, would complicate the label-removal when relevant packages are themselves removed from the bins for delivery.

There will be no detriment to safety through use of unlabeled consolidation bins. By comparison, the hazard labels on packages loaded in conventional ways are often obscured by the position of the packages or their placement in the vehicle. For example, packages loaded with hazard labels facing forward would not be any more readily

identified as hazardous than the packages contained within the consolidation bins discussed in this application.

Relevant Experience:

As part of a damage-reduction initiative, UPS Freight has conducted limited pilot tests with the consolidation bins described herein. The beneficial effect of the consolidation bins was proven through a comparative analysis of freight damages reported by the terminals involved in the pilot test. UPS has observed a 63% reduction in damages reported by the locations involved in the pilot. This reduction in freight damages is understated, since the consolidation bins have not been fully deployed at each of those facilities.

In view of the success attained thus far in the pilot testing of these devices, UPS believes there would be a comparable or even greater improvement throughout the UPS Freight network as the use of these consolidation bins is expanded. The facilitated use of the totes for hazardous materials, as sought in this application, would improve public safety by significantly reducing hazardous materials incidents.